

**LAFAYETTE PARISH  
COMMUNICATION DISTRICT  
A COMPONENT UNIT OF THE CONSOLIDATED  
GOVERNMENT OF LAFAYETTE, LOUISIANA**

**FINANCIAL REPORT AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED OCTOBER 31, 2011**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date MAR 28 2012

# LAFAYETTE PARISH COMMUNICATION DISTRICT

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## INDEPENDENT AUDITORS' REPORT

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To the Board of Commissioners  
Lafayette Parish Communication District  
Lafayette, Louisiana

We have audited the accompanying financial statements of the governmental activities, business-type activities, and the major funds, of the Lafayette Parish Communication District, A Component Unit of the Consolidated Government of Lafayette, Louisiana, as of and for the year then ended October 31, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Lafayette Parish Communication District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and the major funds of the Lafayette Parish Communication District, A Component Unit of the Consolidated Government of Lafayette, Louisiana, as of October 31, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2012 on our consideration of the Lafayette Parish Communication District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 9 and 34 through 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lafayette Parish Communication District's financial statements as a whole. The schedule of wireless revenues is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The schedule of wireless revenues has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Wright, Moore, DeHart,  
Dupuis & Hutchinson*

WRIGHT, MOORE, DEHART,  
DUPUIS & HUTCHINSON, L L C  
Certified Public Accountants

February 14, 2012  
Lafayette, Louisiana

**Lafayette Parish Communication District**  
Lafayette, Louisiana

**Management's Discussion and Analysis**

Within this section of the Lafayette Parish Communication District's (the District) annual financial report, the District's management is pleased to provide this narrative discussion and analysis of the financial activities of the District for the fiscal year ended October 31, 2011. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

**FINANCIAL HIGHLIGHTS**

The District's assets exceed its liabilities by \$13,049,290 and \$2,475,206 (net assets) for its business-type and governmental activities, respectively, for the fiscal year ended October 31, 2011. This is an increase over fiscal year ended 2010, when the District's assets exceed its liabilities by \$12,302,466 and \$2,329,222 (net assets) for its business-type and governmental activities, respectively.

Total net assets are comprised of the following:

- Capital assets, net of related debt, of \$5,990,849 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase of capital assets. The District had no outstanding debt relating to its capital assets at fiscal year end. This is an increase of \$279,126 from 2010.
- Unrestricted net assets of \$9,533,647 represent the portion available to maintain the District's continuing obligations to citizens and creditors.

By the nature of the District's agreement with the Parish and City of Lafayette, its governmental funds report no fund balance at the end of the fiscal period. Rather, any excess funding is reimbursed to the respective governmental body and recorded as a liability in the fund financial statements. The District's proprietary fund reported total ending net assets of \$13,049,290 this year. This compares to the prior year ending net assets of \$12,302,466 showing an increase of \$746,824 during the current year.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This Management Discussion and Analysis document introduces the District's basic financial statements. The basic financial statements include (1) government-wide financial statements, (2) fund financial statements, and (3) required supplementary information. The District also includes in this report additional information to supplement the basic financial statements. Comparative data for the prior year is also presented for comparative purposes.

***Government-Wide Financial Statements***

The District's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the District's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

**Lafayette Parish Communication District**  
**Lafayette, Louisiana**

**Management's Discussion and Analysis**

***Government-Wide Financial Statements - Continued***

The first of these government-wide statements is the *Statement of Net Assets*. This is the government-wide statement of position presenting information that includes all of the District's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating.

The second government-wide statement is the *Statement of Activities*, which reports how the District's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the District's distinct activities or functions on specific revenues.

Both of the Government-wide Financial Statements distinguish functions of the District that are principally supported by intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through charges (business-type activities).

The governmental activities of the District include public safety operations in maintaining The Office of Homeland Security and Emergency Preparedness and the administration of the City of Lafayette's 800 Megahertz Radio System. Both of these funds are special revenue funds.

Included in the business-type activities are charges to telephone companies for the operations of the local emergency telephone response service for the Parish of Lafayette.

The government-wide financial statements are presented on pages 10 and 11 of this report.

***Fund Financial Statements***

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

**Governmental Funds** - Governmental funds are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the District's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Because the focus of governmental funds is narrower than that of the Government-Wide Financial Statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Government-Wide Financial Statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Lafayette Parish Communication District  
Lafayette, Louisiana

Management's Discussion and Analysis

*Governmental Funds – Continued* - The District maintained two individual governmental funds, both are special revenue funds. Information is presented by fund in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances. The funds are the Communications System Management Fund (a major fund) and the Office of Homeland Security and Emergency Preparedness Fund (a major fund).

The basic governmental fund financial statements are presented on pages 12- 16 of this report.

*Proprietary Fund* – When the District receives 911 surcharges from the various telephone service providers for use in providing 911 emergency services, these services are generally reported in a proprietary fund. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the District's enterprise fund (the "911" Fund) is the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for the proprietary fund. The "911" Fund is considered by the District to be a major fund. The Proprietary Fund financial statements are presented on pages 17 – 20 of this report.

***Notes to the basic financial statements:***

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 21 of this report.

***Other information:***

In addition to the basic financial statements and accompanying notes, this report also presents other supplementary information concerning the District's budget presentations. Budgetary comparison statements are included as "other required supplementary information" for the major funds, both the proprietary fund and the governmental funds. These statements demonstrate compliance with the District's adopted and final revised budget. This information is on pages 34-38 of this report.

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the District as a whole. The District's net assets at fiscal year-end are \$15,524,496 as compared to the prior fiscal year end balance which was \$14,631,688. The majority of the net assets are unrestricted which may be used to meet the District's ongoing obligation to citizens and creditors.



**Lafayette Parish Communication District**  
**Lafayette, Louisiana**

**Management's Discussion and Analysis**

The following table provides a summary of the District's net assets

**Summary of Net Assets**

	Governmental Activities		Business-type Activities		Total Government	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 159,853	\$ 109,341	\$ 9,604,302	\$ 9,052,466	\$ 9,764,155	\$ 9,161,807
Capital Assets	2,480,546	2,334,979	3,510,303	3,376,744	5,990,849	5,711,723
Total assets	<u>2,640,399</u>	<u>2,444,320</u>	<u>13,114,605</u>	<u>12,429,210</u>	<u>15,755,004</u>	<u>14,873,530</u>
Current liabilities	159,853	109,341	13,010	74,394	172,863	183,735
Non-current liabilities	5,340	5,757	52,305	52,350	57,645	58,107
Total liabilities	<u>165,193</u>	<u>115,098</u>	<u>65,315</u>	<u>126,744</u>	<u>230,508</u>	<u>241,842</u>
Net assets						
Invested in capital assets	2,480,546	2,334,979	3,510,303	3,376,744	5,990,849	5,711,723
Unrestricted (deficit)	<u>(5,340)</u>	<u>(5,757)</u>	<u>9,538,987</u>	<u>8,925,722</u>	<u>9,533,647</u>	<u>8,919,965</u>
Total net assets	<u>\$2,475,206</u>	<u>\$ 2,329,222</u>	<u>\$ 13,049,290</u>	<u>\$ 12,302,466</u>	<u>\$ 15,524,496</u>	<u>\$ 14,631,688</u>

The deficit in unrestricted governmental net assets changed primarily because of the recordation of compensated absences into the statement of net assets. By the nature of the governmental funds, any excess of revenues over expenditures at the fund level is reimbursed to the City/Parish Government and the funds have no fund balance, however compensated absences do not factor into this calculation.

During 2011, current assets increased in the business-type activities due to an increase in cash and increased in the governmental activities due to an increase in the amounts receivable from the State. The increase in capital assets in the governmental activities is due to continuing purchases of capital assets with federal grants.

The net assets of our business-type activities increased by \$746,824 or 6.09% in 2011, as compared to 6.15% in 2010, which shows consistency from year to year with only minimal variances in the individual categories.

**Lafayette Parish Communication District**  
Lafayette, Louisiana

**Management's Discussion and Analysis**

The following table provides a summary of the District's changes in net assets

<b>Summary of Changes in Net Assets</b>						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	2011	2010	2011	2010	2011	2010
<b>Revenues</b>						
Program revenues						
Charges for services	\$ -	\$ -	\$ 3,317,006	\$ 3,195,888	\$ 3,317,006	\$ 3,195,888
Operating grants	376,627	361,207	-	-	376,627	361,207
Capital grants	511,362	1,403,542	-	-	511,362	1,403,542
General revenues						
Investment earnings	106	2,644	29,995	56,915	30,101	59,559
Gain on disposal of assets	(271)	-	(459)	2,790	(730)	2,790
Other general revenues	12,288	18,403	5,294	1,917	17,582	20,320
Transfers, net	-	16,514	-	(16,514)	-	-
<b>Total revenues</b>	<u>900,112</u>	<u>1,802,310</u>	<u>3,351,836</u>	<u>3,240,996</u>	<u>4,251,948</u>	<u>5,043,306</u>
<b>Program expenses</b>						
Public safety	754,128	742,878	2,605,012	2,528,194	3,359,140	3,271,072
Interest on long-term debt	-	-	-	-	-	-
<b>Total expenses</b>	<u>754,128</u>	<u>742,878</u>	<u>2,605,012</u>	<u>2,528,194</u>	<u>3,359,140</u>	<u>3,271,072</u>
<b>Changes in net assets</b>	<u>\$ 145,984</u>	<u>\$ 1,059,432</u>	<u>\$ 746,824</u>	<u>\$ 712,802</u>	<u>\$ 892,808</u>	<u>\$ 1,772,234</u>

***Governmental Activities***

The governmental funds of the District are funded in the most part by appropriations from the City and Parish of Lafayette governments. As previously discussed, any excess of revenues over expenditures in these funds is required to be reimbursed to the respective government in the subsequent year. The only function of the District is public safety activities. Capital grants decreased this year due to the completion of the generator project which accounted for the significant increase in the prior year. Operating grants increased slightly from 2010 due to additional EMPG grant funds allocated during the year as compared to prior year.

Total expenses of the governmental activities stayed consistent as compared to 2010 however, there was a significant decrease in non capital grant expenses that was offset by an increase in depreciation expense.

***Business-type Activities***

The majority of revenues in the District's business type activities come from telephone taxes collected by and received from the different telephone service providers that operate in the parish. In addition, the District also earns interest on its investments. Charges for services had a slight 3.8% increase from 2010 with expenses increasing by 3.04%. The largest expenses of the business-type activity are salaries and benefits, which represent 48.17% of total expenses for 2011 and telecommunications which represents 14.87% of total expenses for 2011. In addition, depreciation on capital assets represents 15.74% of the total.

**Lafayette Parish Communication District**  
**Lafayette, Louisiana**

**Management's Discussion and Analysis**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

*Governmental Funds*

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Due to the nature of the District's governmental funds, they do not carry over a fund balance, rather the amounts are reported as a liability to the appropriate funding authority.

*Proprietary Fund*

The major fund of the District is its Proprietary Fund (the "911" fund). This fund operates as the general fund of the District. The major revenue source of this fund is telephone taxes collected by and received from the different telephone service providers in the area. It is the largest source of day-to-day service delivery. The "911" Fund's net assets increased \$746,824 which is an increase from 2010 when net assets increased \$729,316. This is attributed to an increase in telephone tax revenue with only slight increases in the expense accounts.

**BUDGETARY HIGHLIGHTS**

*Proprietary Fund*

The Proprietary Fund's original budget was based on the actual amounts reported in fiscal year 2010. However, the final budget remained virtually unchanged with a slight decrease in both revenues and expenses.

*Major Governmental Funds*

The Office of Homeland Security and Emergency Preparedness special revenue fund's final budget showed an increase in both the revenues and expenses from the original budget because of several large federal awards received during the year to fund capital projects. Capital outlay expense increased significantly since the original budget only included expected routine equipment purchases, not the large federal projects that were awarded during the year.

The Communication System Management special revenue fund's final budget did not change overall from the original budget. There were some changes in the individual line items for expenditures but overall expenditures remained the same.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

*Capital Assets*

The District's investment in capital assets, net of accumulated depreciation as of October 31, 2011 was \$5,990,849 as compared to \$5,711,723 at the end of 2010. This investment in capital assets includes buildings and improvements, equipment, furniture and construction in progress (if applicable).

See Note H for additional information about changes in capital assets during the fiscal year.

**Lafayette Parish Communication District**  
Lafayette, Louisiana

**Management's Discussion and Analysis**

**Capital Assets at Year-End  
Net of Depreciation**

	Governmental Activities		Business-type Activities		Total government	
	2011	2010	2011	2010	2011	2010
Buildings and Improvements	\$ 840,821	\$ 885,542	\$ 821,993	\$ 883,358	\$ 1,662,814	\$ 1,768,900
Furniture and Equipment	<u>1,639,725</u>	<u>1,449,437</u>	<u>2,688,310</u>	<u>2,493,386</u>	<u>4,328,035</u>	<u>3,942,823</u>
Totals	<u>\$ 2,480,546</u>	<u>\$ 2,334,979</u>	<u>\$ 3,510,303</u>	<u>\$ 3,376,744</u>	<u>\$ 5,990,849</u>	<u>\$ 5,711,723</u>

The increase in the District's investment in capital assets for the current fiscal year was 4.89%. The increase is due to the purchase of assets as detailed below:

The additions in the business-type activities relate to the continued purchase and replacement of equipment and upgrades. There are no projects in construction in progress as of the end of the fiscal year. In the governmental fund type, the increase continues to be attributed to purchases of equipment with federal grants, specifically radios, equipment and the generator projects.

*Long-Term Debt*

At the end of the fiscal year, the District's only long-term debt was accrued compensated absences and the liability associated with other post employment benefits.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The fiscal year end 2011-2012 budgets for the proprietary and governmental fund types are based on actual 2010-2011 results. The District plans to continue purchasing equipment utilizing the federal grant funds that are being received as part of the Office of Homeland Security grant program.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the District's finances, comply with finance-related laws and regulations, and demonstrate the District's commitment to public accountability. If you have questions about this report or would like to request additional information, contact William Vincent, Director, Lafayette Parish Communication District, Post Office Box 82236, Lafayette, Louisiana 70598.

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

**LAFAYETTE PARISH COMMUNICATION DISTRICT  
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT  
OF LAFAYETTE, LOUISIANA**

**STATEMENT OF NET ASSETS  
OCTOBER 31, 2011**

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS- TYPE ACTIVITIES</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Current Assets			
Cash	\$ 1,438	\$ 9,260,749	\$ 9,262,187
Telephone Tax Receivable	-	319,336	319,336
Due from City Parish	45,756	-	45,756
Other Receivable	-	68	68
Prepaid Maintenance Contract	-	6,262	6,262
Prepaid Lease	-	17,887	17,887
Due from State of Louisiana	<u>112,659</u>	<u>-</u>	<u>112,659</u>
Total Current Assets	<u>159,853</u>	<u>9,604,302</u>	<u>9,764,155</u>
Noncurrent Assets			
Property and Equipment (Net)	<u>2,480,546</u>	<u>3,510,303</u>	<u>5,990,849</u>
Total Noncurrent Assets	<u>2,480,546</u>	<u>3,510,303</u>	<u>5,990,849</u>
 TOTAL ASSETS	 <u>\$ 2,640,399</u>	 <u>\$ 13,114,605</u>	 <u>\$ 15,755,004</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements

**LAFAYETTE PARISH COMMUNICATION DISTRICT  
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT  
OF LAFAYETTE, LOUISIANA**

**STATEMENT OF NET ASSETS  
OCTOBER 31, 2011**

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS- TYPE ACTIVITIES</u>	<u>TOTAL</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES</b>			
Current Liabilities			
Technical Overdraft	\$ 92,154	\$ -	\$ 92,154
Accounts Payable	10,398	13,010	23,408
Due to City/Parish of Lafayette	13,022	-	13,022
Deferred Revenue	<u>44,279</u>	<u>-</u>	<u>44,279</u>
Total Current Liabilities	<u>159,853</u>	<u>13,010</u>	<u>172,863</u>
Noncurrent Liabilities			
Accrued Compensated Absences	5,340	37,178	42,518
Other Post Employment Benefits	<u>-</u>	<u>15,127</u>	<u>15,127</u>
Total Noncurrent Liabilities	<u>5,340</u>	<u>52,305</u>	<u>57,645</u>
TOTAL LIABILITIES	<u>165,193</u>	<u>65,315</u>	<u>230,508</u>
<b>NET ASSETS</b>			
Invested in Capital Assets	2,480,546	3,510,303	5,990,849
Unrestricted (Deficit)	<u>(5,340)</u>	<u>9,538,987</u>	<u>9,533,647</u>
TOTAL NET ASSETS	<u>2,475,206</u>	<u>13,049,290</u>	<u>15,524,496</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,640,399</u>	<u>\$ 13,114,605</u>	<u>\$ 15,755,004</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements



**LAFAYETTE PARISH COMMUNICATION DISTRICT  
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT  
OF LAFAYETTE, LOUISIANA**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED OCTOBER 31, 2011**

	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
				Governmental Activities	Business-type Activities	
<b>Governmental Activities</b>						
Public Safety	<u>\$ 754,128</u>	<u>\$ -</u>	<u>\$ 376,627</u>	<u>\$ 511,362</u>	<u>\$ -</u>	<u>\$ 133,861</u>
Total Governmental Activities	<u>754,128</u>	<u>-</u>	<u>376,627</u>	<u>133,861</u>	<u>-</u>	<u>133,861</u>
<b>Business-type Activities</b>						
Public Safety	<u>2,605,012</u>	<u>3,317,006</u>	<u>-</u>	<u>-</u>	<u>711,994</u>	<u>711,994</u>
Total Business-Type Activities	<u>2,605,012</u>	<u>3,317,006</u>	<u>-</u>	<u>-</u>	<u>711,994</u>	<u>711,994</u>
Total Primary Government	<u>\$ 3,359,140</u>	<u>\$ 3,317,006</u>	<u>\$ 511,362</u>	<u>133,861</u>	<u>711,994</u>	<u>845,855</u>
<b>General Revenues</b>						
Investment Earnings				106	29,995	30,101
Gain (Loss) on Disposal of Assets				(271)	(459)	(730)
Other General Revenues				12,288	5,294	17,582
Transfers, Net				-	-	-
Total General Revenues				<u>12,123</u>	<u>34,830</u>	<u>46,953</u>
Change in Net Assets				145,984	746,824	892,808
Net Assets-Beginning				<u>2,329,222</u>	<u>12,302,466</u>	<u>14,631,688</u>
Net Assets-Ending				<u>\$ 2,475,206</u>	<u>\$ 13,049,290</u>	<u>\$ 15,524,496</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements

## **FUND FINANCIAL STATEMENTS**

**LAFAYETTE PARISH COMMUNICATION DISTRICT  
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT  
OF LAFAYETTE, LOUISIANA**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
OCTOBER 31, 2011**

	<u>Office of Homeland Security and Emergency Preparedness</u>	<u>Communication System Management</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash	\$ -	\$ 1,438	\$ 1,438
Due from City/Parish of Lafayette	-	45,756	45,756
Due From State of Louisiana	<u>112,619</u>	<u>40</u>	<u>112,659</u>
 TOTAL ASSETS	 <u>\$ 112,619</u>	 <u>\$ 47,234</u>	 <u>\$ 159,853</u>
 <b>LIABILITIES AND FUND EQUITY</b>			
<b>LIABILITIES</b>			
Technical Overdraft	\$ 92,154	\$ -	\$ 92,154
Accounts Payable	7,443	2,955	10,398
Due to City/Parish of Lafayette	13,022	-	13,022
Deferred Revenue	<u>-</u>	<u>44,279</u>	<u>44,279</u>
 TOTAL LIABILITIES	 <u>112,619</u>	 <u>47,234</u>	 <u>159,853</u>
 <b>FUND BALANCE</b>	 <u>-</u>	 <u>-</u>	 <u>-</u>
  TOTAL LIABILITIES AND FUND EQUITY	  <u>\$ 112,619</u>	  <u>\$ 47,234</u>	  <u>\$ 159,853</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements

**LAFAYETTE PARISH COMMUNICATION DISTRICT  
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT  
OF LAFAYETTE, LOUISIANA**

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE  
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES  
OCTOBER 31, 2011**

Total Governmental Fund Balances	\$ -
<i>Amounts reported for governmental activities in the Statement of Net Assets are different because</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	2,480,546
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	<u>(5,340)</u>
<i>Net Assets of Governmental Activities</i>	<u>\$ 2,475,206</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements

**LAFAYETTE PARISH COMMUNICATION DISTRICT  
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT  
OF LAFAYETTE, LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
YEAR ENDED OCTOBER 31, 2011**

	Office of Homeland Security and Emergency Preparedness	Communication System Management	Total Governmental Funds
<b>REVENUE</b>			
Governmental Appropriations	\$ 236,086	\$ 181,747	\$ 417,833
Grant Revenue	511,362	-	511,362
Interest Earnings	64	42	106
Miscellaneous Revenue	12,288	-	12,288
Total Revenue	<u>759,800</u>	<u>181,789</u>	<u>941,589</u>
<b>EXPENDITURES</b>			
Current			
Dues and Licenses	213	148	361
Insurance	29,067	-	29,067
Miscellaneous	1,727	-	1,727
Non-Capital Grant Expenses	9,518	-	9,518
Postage	627	-	627
Printing	158	-	158
Professional Fees	3,625	2,000	5,625
Publication and Recordings	39	368	407
Repairs and Maintenance	12,599	69,702	82,301
Retirement and Medicare	19,141	-	19,141
Salaries	105,679	-	105,679
Supplies and Materials	4,082	1,670	5,752
Telecommunications	14,409	45,173	59,582
Tower Rentals	-	19,803	19,803
Training	6,362	-	6,362
Transportation	10,711	-	10,711
Travel and Meetings	188	-	188
Uniforms	8	-	8
Utilities	5,785	13,228	19,013
Capital Outlay			
Equipment	522,840	1,513	524,353
Total Expenditures	<u>746,778</u>	<u>153,605</u>	<u>900,383</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements

**LAFAYETTE PARISH COMMUNICATION DISTRICT  
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT  
OF LAFAYETTE, LOUISIANA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
YEAR ENDED OCTOBER 31, 2011**

	Office of Homeland Security and Emergency Preparedness	Communication System Management	Total Governmental Funds
EXCESS OF REVENUES OVER EXPENDITURES	\$ 13,022	\$ 28,184	\$ 41,206
<b>OTHER FINANCING SOURCES (USES):</b>			
Reimbursement of Excess Funds City/Parish of Lafayette	(13,022)	(28,184)	(41,206)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	-	-	-
FUND BALANCE, BEGINNING	-	-	-
FUND BALANCE, ENDING	\$ -	\$ -	\$ -

The Accompanying Notes are an Integral Part of the Basic Financial Statements

**LAFAYETTE PARISH COMMUNICATION DISTRICT  
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT  
OF LAFAYETTE, LOUISIANA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE-GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED OCTOBER 31, 2011**

Net Change in Fund Balance - Total Governmental Funds \$ -

*Amounts reported for governmental activities in the  
Statement of Activities are different because*

Governmental funds report capital outlays as expenditures  
However, in the Statement of Activities, the cost of those  
assets is allocated over their estimated useful lives as  
depreciation expense This is the amount by which capital outlay  
exceeded depreciation in the current period 145,838

In the statement of activities, only the gain (loss) on sale of assets  
is reported, whereas in the governmental funds, the proceeds  
from the sale increase financial resources Thus, the change  
in net assets differs from the change in fund balance by the difference (271)

Some expenses reported in the Statement of Activities, such  
as compensated absences, do not require the use of  
current financial resources and therefore are not reported  
as expenditures in governmental funds 417

*Change in Net Assets of Governmental Activities* \$ 145,984

The Accompanying Notes are an Integral Part of the Basic Financial Statements

**LAFAYETTE PARISH COMMUNICATION DISTRICT  
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT  
OF LAFAYETTE, LOUISIANA**

**STATEMENT OF NET ASSETS  
PROPRIETARY FUND - "911" FUND  
OCTOBER 31, 2011**

**ASSETS**

**CURRENT ASSETS**

Cash	\$ 9,260,749
Telephone Tax Receivable	319,336
Other Receivables	68
Prepaid Maintenance Contract	6,262
Prepaid Lease	<u>17,887</u>

Total Current Assets 9,604,302

**PROPERTY AND EQUIPMENT**

Building and Improvements	1,369,118
Furniture and Equipment	<u>9,967,162</u>
Total	11,336,280
Less Accumulated Depreciation	<u>(7,825,977)</u>

Net Property and Equipment 3,510,303

TOTAL ASSETS \$ 13,114,605

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts Payable	\$ <u>13,010</u>
Total Current Liabilities	13,010

**NON-CURRENT LIABILITIES**

Accrued Compensated Absences	37,178
Other Post Employment Benefits	<u>15,127</u>

TOTAL LIABILITIES 65,315

**NET ASSETS**

Invested in Capital Assets	3,510,303
Unrestricted	<u>9,538,987</u>

TOTAL NET ASSETS 13,049,290

TOTAL LIABILITIES AND NET ASSETS \$ 13,114,605

The Accompanying Notes are an Integral Part of the Basic Financial Statements



**LAFAYETTE PARISH COMMUNICATION DISTRICT  
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT  
OF LAFAYETTE, LOUISIANA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
PROPRIETARY FUND - "911" FUND  
FOR THE YEAR ENDED OCTOBER 31, 2011**

**OPERATING REVENUE**

Telephone Tax	\$ <u>3,317,006</u>
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**OPERATING EXPENSES**

Contractual and Engineering Services	5,345
Depreciation	410,041
Dues and Subscriptions	494
Duplicating Expense	1,532
Insurance	212,357
Land Lease	253
Miscellaneous	8,349
Office and Postage	1,343
Other Post Employment Benefits	(105)
Printing	863
Professional Fees	11,500
Publication and Recordings	2,221
Repairs and Maintenance	223,114
Retirement and Medicare	195,504
Salaries	1,059,359
Supplies and Materials	42,192
Telecommunications	387,432
Training	21,217
Transportation	14,613
Travel and Meetings	113
Uniforms	2,082
Utilities	<u>5,193</u>

Total Operating Expenses	<u>2,605,012</u>
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OPERATING INCOME	<u>711,994</u>
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**NON-OPERATING REVENUES (EXPENSES)**

Miscellaneous Revenue	5,294
Interest Earnings	29,995
Gain (Loss) on Disposal of Assets	<u>(459)</u>
Total Non-Operating Revenues (Expenses)	<u>34,830</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements

**LAFAYETTE PARISH COMMUNICATION DISTRICT  
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT  
OF LAFAYETTE, LOUISIANA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
PROPRIETARY FUND - "911" FUND  
FOR THE YEAR ENDED OCTOBER 31, 2011**

INCREASE IN NET ASSETS	746,824
NET ASSETS, BEGINNING	<u>12,302,466</u>
NET ASSETS, ENDING	<u>\$ 13,049,290</u>

The Accompanying Notes are an Integral Part of the Basic Financial Statements

**LAFAYETTE PARISH COMMUNICATION DISTRICT  
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT  
OF LAFAYETTE, LOUISIANA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUND - "911" FUND  
FOR THE YEAR ENDED OCTOBER 31, 2011**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash Received From Providing Services	\$ 3,565,023
Cash Paid to Suppliers	(960,409)
Cash Paid to Employees	<u>(1,290,899)</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,313,715</u>
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**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchases of Property and Equipment	(544,059)
Interest on Investments	<u>29,995</u>

NET CASH USED IN INVESTING ACTIVITIES	<u>(514,064)</u>
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NET INCREASE IN CASH AND CASH EQUIVALENTS	799,651
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CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>8,461,098</u>
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CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 9,260,749</u></u>
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**RECONCILIATION OF OPERATING INCOME TO NET CASH  
PROVIDED BY OPERATING ACTIVITIES:**

Operating Income	\$ 711,994
Adjustment to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	410,041
Land Lease Amortization	253
Miscellaneous Revenue	5,294
Changes in Assets and Liabilities	
Telephone Tax Receivable	242,723
Prepaid Expenses	4,907
Other Receivables	(68)
Accounts Payable	(25,288)
Salaries Payable	(36,096)
Accrued Compensated Absences	60
Other Post Employment Benefits	<u>(105)</u>

Net Cash Provided by Operating Activities	<u><u>\$ 1,313,715</u></u>
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The Accompanying Notes are an Integral Part of the Basic Financial Statements

**LAFAYETTE PARISH COMMUNICATION DISTRICT  
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT  
OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
OCTOBER 31, 2011**

**(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Business** – The Lafayette Parish Communication District consists of the “911” Fund, the Office of Homeland Security and Emergency Preparedness Fund and The Communication System Management Fund

The “911” Fund was created by House Bill No. 480, Act No. 788 and signed into law July 18, 1979 for the purpose of establishing a local emergency telephone response service for Lafayette Parish

The Office of Homeland Security and Emergency Preparedness Fund (OHSEP) was consolidated with the Lafayette Parish Communication District on November 1, 1984. Funding for OHSEP is provided by the State of Louisiana Office of Homeland Security and Emergency Preparedness, the City of Lafayette and the Parish of Lafayette. Any revenues in excess of expenditures are refunded proportionately to the City and Parish of Lafayette at the end of each fiscal year.

The Communication System Management Fund (CSMF) was established on November 1, 1986 to administer the City of Lafayette’s 800 Megahertz Radio System. CSMF charges other agencies and surrounding communities a rental fee for radio tower usage. The City of Lafayette reimburses CSMF for excess expenditures over revenues received from tower rentals.

The accounting and reporting policies of the Lafayette Parish Communication District conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the industry audit guide, Audits of State and Local Governmental Units. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The District also has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds and has elected to do so.

The following is a summary of certain significant accounting policies:

**Financial Reporting Entity** – The “911” Fund, the Office of Homeland Security and Emergency Preparedness Fund and the Communication System Management Fund are presented with the Lafayette Parish Communication District in this report.

**Basis of Presentation** – The accompanying basic financial statements of the Lafayette Parish Communication District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**LAFAYETTE PARISH COMMUNICATION DISTRICT  
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT  
OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
OCTOBER 31, 2011**

**(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Basis of Presentation – continued**

**Government-Wide Financial Statements (GWFS)**

The Statement of Net Assets and the Statement of Activities display information about the District as a whole. These statements include all the financial activities of the District. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, "Accounting and Financial Reporting for Non-exchange Transactions."

The statement of activities presents a comparison between direct expenses and program revenues for each of the functions of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the District, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**Fund Financial Statements (FFS)** – The financial transactions of the Lafayette Parish Communication District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenses or expenditures. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Lafayette Parish Communication District:

**Governmental Funds –**

Special Revenue Funds – These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

**Proprietary Fund –**

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary fund of the District:

**LAFAYETTE PARISH COMMUNICATION DISTRICT  
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT  
OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
OCTOBER 31, 2011**

**(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Proprietary Fund – continued**

Enterprise Fund – This type of fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the costs (expenses, including depreciation) of providing emergency telephone response services to the general public on a continuing basis is financed through user charges

The District applies all applicable FASB pronouncements in accounting and reporting for its proprietary operations

The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the District or its total assets, liabilities, revenues, or expenditures of the individual fund type is at least ten percent of the corresponding total for all of that fund type. Non-major funds by category are summarized into a single column. The non-major funds are combined in a column in the fund financial statements. The Proprietary Fund – “911” Fund is the operating fund of the District and is considered a major fund. In addition, the Office of Homeland Security and Emergency Preparedness Fund and the Communication System Management Fund meet the criteria of a major fund and are reported as such.

**Measurement Focus/Basis of Accounting** – Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

**Accrual**

Governmental activities in the government-wide financial statements and the proprietary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. The proprietary fund type is accounted for on a cost of service measurement focus using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the related liabilities are incurred.

**Modified Accrual**

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. “Available” means collectible within the current period or within 60 days after year-end. Intergovernmental revenues and fees, charges and commissions for services are recorded when the District is entitled to the funds. Interest on interest-bearing deposits is recorded or accrued as revenues when earned. Substantially all other revenues are recorded when received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred, if measurable.

**LAFAYETTE PARISH COMMUNICATION DISTRICT  
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT  
OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
OCTOBER 31, 2011**

**(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Budgets and Budgetary Accounting** – The Lafayette Parish Communication District is required to adopt annual budgets for each fund. Each budget is presented on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles ("GAAP").

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- a. Each year, prior to November 1, the District prepares a budget for the next succeeding fiscal year and submits it to the Board of Commissioners. The operating budget includes proposed expenditures and the means of financing them.
- b. The Lafayette Parish Communication District adopts the budget by a resolution of the Board of Commissioners.
- c. The budget must be revised and approved by the Commissioners for any increase in budgetary expenditures.
- d. All budgetary appropriations lapse at the end of each fiscal year.

**Cash and Interest-Bearing Deposits** – Cash and interest-bearing deposits are stated at cost, which approximates market.

**Deferred Revenue** – Deferred revenue in the Communication System Management Fund represents rental fees for future radio tower usage. Rental revenue is recognized on a pro-rata basis as radio tower service is provided.

**Capital Assets** – Capital assets purchased or acquired with an original cost of \$500 or more are reported at historical cost or estimated cost if historical cost is not available. The District's capitalization policy matches that of the City/Parish of Lafayette, its fiscal agent. Contributed assets are recorded as capital assets at their estimated fair market value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Building improvements	20 years
Vehicles	5 years
Equipment and Furniture	5 -10 years

**LAFAYETTE PARISH COMMUNICATION DISTRICT  
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT  
OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
OCTOBER 31, 2011**

**(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**Compensated Absences** – Annual leave is a paid leave of absence from regularly scheduled work hours granted to regular employees for the purpose of rest and recreation or to attend to personal affairs. Annual leave is earned by all regular full and part-time employees based on their years of service ranging from eight to sixteen hours per month beginning after six months of service. Excess leave shall be added to the employee's sick leave balance. Sick leave is earned by all full-time employees at the rate of eight hours per month and part-time employees at a pro-rata amount based on their usual work schedule for each completed month of employment.

Sick leave is carried forward from year to year. An employee shall be paid for all accumulated hours of sick leave at their regular rate of pay upon regular or disability retirement, death, or upon permanent layoff of an employee with 15 years or more of employment provided an offer of employment in a position of equal or greater pay was not refused and will not be paid upon any other type of separation from service. In accordance with Government Accounting Standards Board-16, no accrual is made for paid sick leave earned.

On October 31, 2011, accrued compensated absences in the "911" Fund amounted to \$37,178. The portion of accrued compensated absences attributed to the Office of Homeland Security and Emergency Preparedness Fund amounted to \$5,340 on October 31, 2011. All accruals are for annual leave.

**Prepaid Items** – Payments made to vendors for services that will benefit periods beyond year-end are recorded as prepaid items.

**Cash and Cash Equivalents** – For purposes of the Statement of Cash Flows, the District considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

**Interfund Transactions** – Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental and proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

**Equity Classifications** – In the government-wide statement of net assets, equity is classified as net assets and displayed in three components.

- a Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those net assets.



**LAFAYETTE PARISH COMMUNICATION DISTRICT  
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT  
OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
OCTOBER 31, 2011**

**(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

- b Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation. The District has no restricted net assets at October 31, 2011
- c Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”

In the fund financial statements, governmental equity is classified as fund balance. The District elected to implement GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011. However, due to the nature of the governmental funds, there is no fund balance reported in these funds at the end of the fiscal year.

**Estimates** – The preparation of financial statements in conformity with generally accepted accounting principles of the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**(B) RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference are as follows:

Capital Outlay	\$ 524,353
Depreciation	<u>(378,515)</u>
Net Adjustment to Increase Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Funds	   <u>\$ 145,838</u>

**LAFAYETTE PARISH COMMUNICATION DISTRICT  
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT  
OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
OCTOBER 31, 2011**

**(C) CASH AND INVESTMENTS**

The District's cash and investments are included in the City of Lafayette's Cash Management Fund, which is pooled with the City's other investments. Interest earned from the pooled cash management fund is apportioned to each fund based on its average daily cash balance. The City's investments are categorized to give an indication of the level of risk assumed by the City at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. All funds are considered Category 1 at October 31, 2011.

Cash and investments include bank balances and investments that at the balance sheet date were entirely insured or collateralized with securities held by the District or by its agent in the District's name. Cash balances are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. The District has no custodial credit risk associated with these deposits.

As a component unit of the Consolidated Government of Lafayette, Louisiana, the District follows the Cash Management Rules and Guidelines of the Lafayette City-Parish Consolidated Government. Following are the risks associated with these rules and guidelines:

**Interest Rate Risk:** As a means of limiting its exposure to fair-value losses arising from rising interest rates, the District's investment policy limits the investment portfolio to "money market instruments", which are defined as very creditworthy, highly liquid investments with maturities of one year or less. Although there may be certain circumstances in which longer-term securities are utilized, the general use of long-term securities shall be avoided.

**Credit Risk:** The District's Investment Policy limits investments to fully insured and/or fully-collateralized certificates of deposits and direct and indirect obligations of U S government agencies.

**Concentration of Credit Risk:** The District's investment policy limits the District's investment instruments to 1) Certificates of Deposit, 2) Certain direct obligations of the US Government, 3) Other "direct obligations" of the U S Government, and, 4) Obligations of certain US Government Agencies.

**(D) TELEPHONE TAX RECEIVABLE**

The telephone tax is received by the "911" Fund from AT&T, Inc., Century Telephone and various other vendors from amounts billed to their customers. At October 31, 2011, the telephone tax receivable was \$319,336. The responsibility of collecting the tax rests with the telephone companies and the receivable is reported net of any uncollected amounts; therefore, no allowance for uncollectible taxes is deemed necessary.

**LAFAYETTE PARISH COMMUNICATION DISTRICT  
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**NOTES TO FINANCIAL STATEMENTS  
OCTOBER 31, 2011**

**(E) PENSION PLAN**

All full-time employees of the District are eligible and participating in the Parochial Employees' Retirement System of Louisiana. The District contributes a predetermined percentage, currently 15.75 percent, of each employee's gross wages to the retirement system for the fiscal year. Also included in the expense for retirement is the required Medicare contribution of 1.45 percent of each employee's wages. The amount contributed to the retirement system and for Medicare for the year ended October 31, 2011, was \$214,645.

**(F) OTHER POST EMPLOYMENT BENEFITS**

From an accrual accounting perspective, the cost of postemployment insurance benefits, like the cost of pension benefits, should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended October 31, 2008, the Lafayette Parish Communication District recognizes the cost of postemployment insurance benefits in the year when employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the District's future cash flows. Because the District is adopting the requirements of GASB Statement No. 45 prospectively, recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2008 liability.

*Plan Description*

The Lafayette Parish Communication District's medical benefits are provided through the comprehensive medical plan of the Consolidated Government of Lafayette, Louisiana, and are made available to employees upon actual retirement.

Employees are covered by the Parochial Employees' Retirement System of Louisiana, whose retirement eligibility (DROP entry) provisions are as follows: 30 years of service at any age, age 55 and 25 years of service, age 60 and 10 years of service, or, age 65 and 7 years of service. For employees hired on and after January 1, 2007, retirement eligibility (DROP entry) provisions are as follows: age 55 and 30 years of service, age 62 and 10 years of service, or, age 67 and 7 years of service. Complete plan provisions are included in the official plan document.

The number of participants as of November 1, 2009, the effective date of the bi-annual OPEB valuation, follows. There have been no significant changes in the number covered or the types of coverage since that date.

Active Employees	24
Retired Employees	1
Total	<u>25</u>

*Contribution Rates*

Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan document.

**LAFAYETTE PARISH COMMUNICATION DISTRICT  
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT  
OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
OCTOBER 31, 2011**

**(F) OTHER POST EMPLOYMENT BENEFITS - continued**

*Funding Policy*

Effective with the fiscal year beginning November 1, 2007, the District implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions* (GASB 45). The funding policy is not to fund the ARC except to the extent of the current year's retiree funding costs.

In fiscal year ending October 31, 2011, the District's portion of the health care funding cost for retired employees totaled \$4,018. These amounts were applied toward the Net OPEB Benefit Obligation as shown below.

*Annual Other Postemployment Benefit Cost*

For the fiscal year ended October 31, 2011, the Commission's annual OPEB cost (i.e., expense) of \$3,748 is equal to the Annual Required Contributions plus Interest less Adjustments. Considering the District's annual OPEB cost as well as the payment of current insurance premiums, which totaled \$4,018 for retirees and their beneficiaries, the result was a decrease in the Net OPEB Obligation of \$(105) for the year ended October 31, 2011.

**Benefit Obligations and Normal Costs**

Unfunded Actuarial Accrued Liability (UAAL)	\$ 57,455
Normal Cost at Beginning of Year	\$ 862
Amortization Factor based on 30 years	17.9837
Annual Covered Payroll	1,177,029
UAAL as % of Covered Payroll	4.88%

**LAFAYETTE PARISH COMMUNICATION DISTRICT  
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OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
OCTOBER 31, 2011**

**(F) OTHER POST EMPLOYMENT BENEFITS - continued**

**Level Dollar Amortization**

**Calculation of ARC under Projected Unit Credit Method**

ARC Normal Cost with Interest to End of Year	\$ 862
Amortization of UAAL with Interest to End of Year	<u>3,323</u>
Annual Required Contribution (ARC)	4,185
Interest on Net OPEB Obligation	609
Adjustment to ARC	<u>(881)</u>
Annual OPEB Cost (Expense)	3,913
Contribution for the Fiscal Year	<u>(4,018)</u>
Increase in Net OPEB Obligation	(105)
Net OPEB Obligation October 31, 2010	<u>15,232</u>
Net OPEB Obligation October 31, 2011	<u>\$ 15,127</u>
Percent of Annual OPEB Cost Contributed	<u>102 7%</u>

The District's annual OPEB costs, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended October 31, 2011 and the preceding two years were as follows

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
10/31/2011	\$ 3,913	102 67%	\$ 15,127
10/31/2010	\$ 3,748	107 20%	\$ 15,232
10/31/2009	\$ 3,906	102 90%	\$ 15,502

**LAFAYETTE PARISH COMMUNICATION DISTRICT  
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OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
OCTOBER 31, 2011**

**(F) OTHER POST EMPLOYMENT BENEFITS - continued**

*Actuarial Methods and Assumptions*

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The unfunded actuarial accrued liability is being amortized over 30 years on a level dollar open basis.

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of future events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the October 31, 2011 actuarial valuation, the liabilities were computed using the projected unit credit method and level dollar amortization. The actuarial assumptions utilized a 4% discount rate. Because the plan is unfunded, reference to the general assets, which are short-term in nature (such as money market funds), was considered in the selection of the 4% rate.

**(G) LEASES**

On September 1, 1983, the District entered into and prepaid a ninety-nine year lease with the City of Lafayette for land for future construction of a permanent facility. The prepaid amount is amortized over the term of the lease in the amount of \$253 per year.

The District has entered into a lease with Bell South Business Systems, Inc. for an Automatic Location Identification (ALI) system. The ALI system is used within the "911" Fund. The lease term is for one year and renews annually unless either party gives a one hundred eighty (180) day written notice. The lease term runs from March 27, 2011 through March 26, 2012 with monthly lease payments of \$15,465. Future minimum lease payments at October 31, 2011, were \$77,325.

The District also has a lease for tower space from American Tower Corporation. The leased tower space is used within the CSM Fund. The lease automatically renews annually unless either party gives a ninety (90) day written notice. The lease term runs from November 1 through October 31 with monthly lease payments of \$1,448 for the year ended October 31, 2011. Total lease expense for the year ended October 31, 2011 was \$17,376. Future minimum lease payments at October 31, 2011, were \$17,376.

In June 2004, the District entered into an Intergovernmental Agreement with the City of Carencro to lease a parcel of land for construction of the Mobile Operations Center Garage. The initial term of the lease is fifty years. After the initial term, the City has the option to continue the lease on a month-to-month basis. There is no cost to the District for this lease.

**LAFAYETTE PARISH COMMUNICATION DISTRICT  
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**NOTES TO FINANCIAL STATEMENTS  
OCTOBER 31, 2011**

**(H) CAPITAL ASSETS**

Capital asset activity for the year ended October 31, 2011 was as follows

	<u>Balance 11/1/2010</u>	<u>Additions/ Completions</u>	<u>Retirements/ Adjustments</u>	<u>Balance 10/31/2011</u>
<b>Governmental Activities</b>				
Capital assets, being depreciated				
Buildings	\$ 892,231	\$ -	\$ -	\$ 892,231
Furniture and Equipment	3,799,209	524,353	2,949	4,320,613
Total capital assets being depreciated	<u>4,691,440</u>	<u>524,353</u>	<u>2,949</u>	<u>5,212,844</u>
Less Accumulated Depreciation for				
Buildings	6,689	44,721	-	51,410
Furniture and Equipment	2,349,772	333,794	(2,678)	2,680,888
Total accumulated depreciation	<u>2,356,461</u>	<u>378,515</u>	<u>(2,678)</u>	<u>2,732,298</u>
Total capital assets being depreciated, net	<u>2,334,979</u>	<u>145,838</u>	<u>271</u>	<u>2,480,546</u>
 Governmental activities capital assets, net	 <u>\$ 2,334,979</u>	 <u>\$ 145,838</u>	 <u>\$ 271</u>	 <u>\$2,480,546</u>
 <b>Business-type Activities</b>				
Capital assets, being depreciated				
Buildings and Improvements	\$ 1,369,118	\$ -	\$ -	\$ 1,369,118
Furniture and Equipment	9,432,641	544,059	9,538	9,967,162
Total capital assets being depreciated	<u>10,801,759</u>	<u>544,059</u>	<u>9,538</u>	<u>11,336,280</u>
Less Accumulated Depreciation for				
Buildings and Improvements	485,760	61,365	-	547,125
Furniture and Equipment	6,939,255	348,676	(9,079)	7,278,852
Total accumulated depreciation	<u>7,425,015</u>	<u>410,041</u>	<u>(9,079)</u>	<u>7,825,977</u>
Total capital assets being depreciated, net	<u>3,376,744</u>	<u>134,018</u>	<u>459</u>	<u>3,510,303</u>
 Business-type activities capital assets, net	 <u>\$ 3,376,744</u>	 <u>\$ 134,018</u>	 <u>\$ 459</u>	 <u>\$3,510,303</u>

**LAFAYETTE PARISH COMMUNICATION DISTRICT  
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT  
OF LAFAYETTE, LOUISIANA**

**NOTES TO FINANCIAL STATEMENTS  
OCTOBER 31, 2011**

**(H) CAPITAL ASSETS – continued**

Depreciation expense for the year ended October 31, 2011 was charged as direct expense to programs of the government as follows

Governmental Activities – Public Safety	<u>\$ 378,515</u>
Business-Type Activities – Public Safety	<u>\$ 410,041</u>

**(I) BOARD COMPENSATION**

The Board of Commissioners serves without compensation or per diem

**(J) RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, error and omissions, and natural disasters. The District is insured to reduce the exposure to these risks.

**(K) LITIGATION**

There is no litigation pending against the District at October 31, 2011



**REQUIRED SUPPLEMENTARY INFORMATION**

**LAFAYETTE PARISH COMMUNICATION DISTRICT  
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT  
OF LAFAYETTE, LOUISIANA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
BUDGET (GAAP BASIS) AND ACTUAL  
ENTERPRISE FUND - PROPRIETARY FUND  
FOR THE YEAR ENDED OCTOBER 31, 2011**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Telephone Tax	\$ 2,900,000	\$ 2,900,000	\$ 3,317,006	\$ 417,006
Miscellaneous Revenue	-	-	5,294	5,294
Interest Earnings	70,000	70,000	29,995	53,588
Gain (Loss) on Fixed Asset Disposal	(50,000)	(50,000)	(459)	49,541
Total Revenue	<u>2,920,000</u>	<u>2,920,000</u>	<u>3,351,836</u>	<u>431,836</u>
<b>EXPENSES</b>				
Current				
Contractual Services	21,000	21,000	5,345	15,655
Depreciation	600,000	600,000	410,041	189,959
Dues and Subscriptions	1,000	1,000	494	506
Duplicating Expense	2,000	2,000	1,532	468
Engineering Services	-	5,000	-	5,000
Insurance	194,300	229,300	212,357	16,943
Land Lease	300	300	253	47
Miscellaneous	13,000	11,500	8,349	3,151
Office and Postage	1,500	1,800	1,343	457
Other Post Employment Benefits	25,000	25,000	(105)	25,105
Printing	800	1,300	863	437
Professional Fees	23,000	16,500	11,500	5,000
Publication and Recordings	4,000	4,000	2,221	1,779
Repairs and Maintenance	290,000	258,200	223,114	35,086
Retirement and Medicare	194,700	194,700	195,504	(804)
Salaries	1,250,000	1,250,000	1,059,359	190,641
Supplies and Materials	47,000	45,500	42,192	3,308
Telecommunications	460,000	450,000	387,432	62,568
Training	20,000	22,000	21,217	783
Transportation	9,000	16,000	14,613	1,387
Travel and Meetings	1,000	1,000	113	887
Uniforms	1,000	2,500	2,082	418
Utilities	6,000	6,000	5,193	807
Total Expenses	<u>\$ 3,164,600</u>	<u>\$ 3,164,600</u>	<u>\$ 2,605,012</u>	<u>\$ 559,588</u>

**LAFAYETTE PARISH COMMUNICATION DISTRICT  
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT  
OF LAFAYETTE, LOUISIANA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
BUDGET (GAAP BASIS) AND ACTUAL  
ENTERPRISE FUND - PROPRIETARY FUND  
FOR THE YEAR ENDED OCTOBER 31, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES (BROUGHT FORWARD)	\$ (244,600)	\$ (244,600)	\$ 746,824	\$ 991,424
NET ASSETS, BEGINNING	<u>12,302,466</u>	<u>12,302,466</u>	<u>12,302,466</u>	<u>-</u>
NET ASSETS, ENDING	<u>\$ 12,057,866</u>	<u>\$ 12,057,866</u>	<u>\$ 13,049,290</u>	<u>\$ 991,424</u>

**LAFAYETTE PARISH COMMUNICATION DISTRICT  
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT  
OF LAFAYETTE, LOUISIANA**

**SPECIAL REVENUE FUND  
OFFICE OF HOMELAND SECURITY AND EMERGENCY PREPAREDNESS**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED OCTOBER 31, 2011**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Government Appropriations	\$ 227,000	\$ 236,086	\$ 236,086	\$ -
Grant Revenues	-	525,150	511,362	(13,788)
Interest Earnings	700	700	64	(636)
Miscellaneous Revenues	-	-	12,288	12,288
Total Revenue	<u>227,700</u>	<u>761,936</u>	<u>759,800</u>	<u>(2,136)</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
Dues, Licenses and Subscriptions	600	600	213	387
Duplicating Expense	1,800	400	-	400
Insurance	30,500	34,200	29,067	5,133
Miscellaneous	4,000	2,000	1,727	273
Non-Capital Grant Expenses	-	9,550	9,518	32
Postage	500	750	627	123
Printing	300	300	158	142
Professional Fees	3,700	3,700	3,625	75
Publication and Recordings	500	300	39	261
Repairs and Maintenance	17,000	13,300	12,599	701
Retirement and Medicare	17,000	19,200	19,141	59
Salaries	109,000	109,000	105,679	3,321
Supplies and Materials	10,000	4,800	4,082	718
Telecommunications	17,000	15,500	14,409	1,091
Training	3,000	6,500	6,362	138
Transportation	6,400	12,400	10,711	1,689
Travel and Meetings	-	300	188	112
Uniforms	400	250	8	242
Utilities	6,000	6,000	5,785	215
<b>Capital Outlay</b>				
Equipment	-	522,886	522,840	46
Total Expenditures	<u>\$ 227,700</u>	<u>\$ 761,936</u>	<u>\$ 746,778</u>	<u>\$ 15,158</u>

**LAFAYETTE PARISH COMMUNICATION DISTRICT  
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT  
OF LAFAYETTE, LOUISIANA**

**SPECIAL REVENUE FUND  
OFFICE OF HOMELAND SECURITY AND EMERGENCY PREPAREDNESS**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED OCTOBER 31, 2011**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
EXCESS OF REVENUES OVER EXPENDITURES	\$ -	\$ -	\$ 13,022	\$ 13,022
<b>OTHER FINANCING SOURCES (USES):</b>				
Reimbursement of Excess Funds				
City/Parish of Lafayette	-	-	(13,022)	(13,022)
EXCESS OF REVENUES OVER EXPENDITURE AND OTHER FINANCING USES	-	-	-	-
FUND BALANCE, BEGINNING	-	-	-	-
FUND BALANCE, ENDING	\$ -	\$ -	\$ -	\$ -

**LAFAYETTE PARISH COMMUNICATION DISTRICT  
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT  
OF LAFAYETTE, LOUISIANA**

**SPECIAL REVENUE FUND  
COMMUNICATION SYSTEM MANAGEMENT**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED OCTOBER 31, 2011**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Government Appropriation	\$ 160,000	\$ 160,000	\$ 181,747	\$ 21,747
Interest Earnings	-	-	42	42
Total Revenue	<u>160,000</u>	<u>160,000</u>	<u>181,789</u>	<u>21,789</u>
<b>EXPENDITURES</b>				
Current				
Dues and Licenses	400	300	148	152
Duplicating Expense	300	300	-	300
Postage	100	100	-	100
Printing	300	300	-	300
Professional Fees	2,000	2,000	2,000	-
Publications and Recordations	400	600	368	232
Repairs and Maintenance	85,000	73,500	69,702	3,798
Supplies and Materials	1,500	1,800	1,670	130
Telecommunications	40,000	45,500	45,173	327
Tower Rentals	19,000	20,000	19,803	197
Utilities	<u>11,000</u>	<u>14,000</u>	<u>13,228</u>	<u>772</u>
Capital Outlay				
Equipment	-	1,600	1,513	87
Total Expenditures	<u>160,000</u>	<u>160,000</u>	<u>153,605</u>	<u>6,395</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	28,184	28,184
<b>OTHER FINANCING USES</b>				
Reimbursement of Excess Funds				
City/Parish of Lafayette	-	-	(28,184)	(28,184)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	-	-	-	-
FUND BALANCE, BEGINNING	-	-	-	-
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**LAFAYETTE PARISH COMMUNICATION DISTRICT  
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT  
OF LAFAYETTE, LOUISIANA**

**SCHEDULE OF FUNDING PROGRESS OF OPEB PLAN  
FOR THE YEAR ENDED OCTOBER 31, 2011**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Projected Unit Cost</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
	(a)	(b)	(b-a)	(a/b)	(c)	[(b-a)/c]
11/1/2008	\$ -	\$ 59,185	\$ 59,185	-	\$ 1,076,387	5 50%
11/1/2009	\$ -	\$ 55,245	\$ 55,245	-	\$ 1,106,375	4 99%
11/1/2010	\$ -	\$ 57,455	\$ 57,455	-	\$ 1,177,029	4 88%

## **OTHER SUPPLEMENTARY INFORMATION**



**LAFAYETTE PARISH COMMUNICATION DISTRICT  
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OF LAFAYETTE, LOUISIANA**

**SCHEDULE OF WIRELESS E911 REVENUES AND EXPENDITURES  
FOR THE YEAR ENDED OCTOBER 31, 2011**

**REVENUES**

Acadiana Cellular GP	\$ 45,594 14
Affordable Phone Services	5,649 83
Alltel	784 28
Cause Based Communications	127 50
Cingular Wireless	1,152,525 96
Consumer Cellular	3,991 23
Globalstar USA LLC	429 14
Greatcall, Inc	1,428 85
I-Wireless	5 89
Lightyear Communications, Inc	17 00
Louisiana RSA No 7 Cellular GP	1,083 85
Louisiana RSA No 8 LP	189 34
New Cingular Wireless PCS, LLC	75,400 07
OnStar Corporation	2,054 93
Primus Telecommunications, Inc	53 84
Sprint Nextel Partners	19,317 46
Sprint Nextel (formerly Nextel South Corp )	6,795.95
Sprint PCS	85,750 53
State of Louisiana - Department of Revenue	200,340 00
Telecorp Communications, LLC	69 00
Tefrite	4 25
T-Mobile (formerly VoiceStream)	67,687 73
Verizon Wireless	202,015 34
Vonage America	8,031 87
Working Assets Funding Service, Inc	299 57
<b>TOTAL REVENUES</b>	<b><u>\$ 1,879,647 55</u></b>

NOTE The collection of the Wireless E911 tax is authorized by Louisiana Revised Statute 33 9109 According to the statute, the District is to collect the tax from the providers of wireless communications The proceeds of the tax are restricted in use for payment of service suppliers' and the District's costs associated with the implementation of Phase I and Phase II enhancements required by the FCC. Once these expenditures have been made and the system implementation is complete, the proceeds become unrestricted and may be used for any lawful purpose of the District All Phase I and Phase II system implementation requirements are complete

**LAFAYETTE PARISH COMMUNICATION DISTRICT  
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT  
OF LAFAYETTE, LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED OCTOBER 31, 2011**

Federal Grantor Program Title	Federal CFDA Number	Grant Number	Federal Expenditures
<b>U.S. Department of Homeland Security</b>			
Homeland Security Grant Program -			
Passed through the State of Louisiana -			
Governor's Office of Homeland Security			
and Emergency Preparedness			
State Homeland Security Program	97 067	* 2008-GE-T8-0013	78,476
State Homeland Security Program	97 067	* 2009-SS-T9-0059	337,428
State Homeland Security Program	97 067	* 2010-SS-T0-0043	48,437
			<u>464,341</u>
Hazard Mitigation Grant -			
Passed through the State of Louisiana -			
Governor's Office of Homeland Security			
and Emergency Preparedness			
Statewide Generator Program	97 039	FEMA-1603-DR-LA-0079	24,740
Emergency Management Performance Grant -			
Passed through the State of Louisiana -			
Governor's Office of Homeland Security			
and Emergency Preparedness			
	97 042	2010-EP-E9-0058	
		2011-EP-E9-0058	94,086
<b>U.S. Department of Commerce</b>			
Public Safety Interoperable Communications			
Grant Program -			
Passed through the State of Louisiana -			
Governor's Office of Homeland Security			
and Emergency Preparedness			
Public Safety Interoperable			
Communications Grant	11 555	2007-GS-H7-0014	22,281
			<u>\$ 605,448</u>

\* - denotes a major program

**NOTE**

The accompanying Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting

## **COMPLIANCE AND INTERNAL CONTROL**

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\*\* A PROFESSIONAL CORPORATION  
\*\* A LIMITED LIABILITY COMPANY

JOE D. HUTCHINSON, CPA \* +  
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MICHAEL G. DEHART, CPA, CVA, MBA \* +

+ RETIRED

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Commissioners  
Lafayette Parish Communication District  
Lafayette, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, and the major funds of Lafayette Parish Communication District, A Component Unit of the Consolidated Government of Lafayette, Louisiana, as of and for the year ended October 31, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 14, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Lafayette Parish Communication District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Lafayette Parish Communication District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Lafayette Parish Communication District's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**WMDDH**

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TINA B. VIATOR, CPA

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Lafayette Parish Communication District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, others within the organization, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor of the State of Louisiana as a public document.

*Wright, Moore, DeHart,  
Dupuis & Hutchinson*

WRIGHT, MOORE, DEHART,  
DUPUIS & HUTCHINSON, L L C  
Certified Public Accountants

February 14, 2012  
Lafayette, Louisiana

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## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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To the Board of Commissioners  
Lafayette Parish Communication District  
Lafayette, Louisiana

### Compliance

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TINA B. VIATOR, CPA

We have audited the compliance of the Lafayette Parish Communication District, A Component Unit of the Consolidated Government of Lafayette, Louisiana, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on the Lafayette Parish Communication District's major federal program for the year ended October 31, 2011. The Lafayette Parish Communication District's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Lafayette Parish Communication District's management. Our responsibility is to express an opinion on the Lafayette Parish Communication District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Lafayette Parish Communication District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Lafayette Parish Communication District's compliance with those requirements.

In our opinion, the Lafayette Parish Communication District complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended October 31, 2011

### **Internal Control Over Compliance**

Management of the Lafayette Parish Communication District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Lafayette Parish Communication District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Lafayette Parish Communication District's internal control over compliance.

*A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.*

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the management of the Lafayette Parish Communication District, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

*Wright, Moore, DeHart,  
Dupuis & Hutchinson*

WRIGHT, MOORE, DEHART,  
DUPUIS & HUTCHINSON, L L C  
Certified Public Accountants

February 14, 2012  
Lafayette, Louisiana

**LAFAYETTE PARISH COMMUNICATION DISTRICT  
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT  
OF LAFAYETTE, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED OCTOBER 31, 2011**

We have audited the financial statements of the Lafayette Parish Communication District as of and for the year ended October 31, 2011 and have issued our report thereon dated February 14, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of October 31, 2011 resulted in an unqualified opinion.

**Section I - Summary of Auditors' Reports**

**A FINANCIAL STATEMENTS**

**Report on Internal Control and Compliance Material to the Financial Statements**

Internal Control

Material Weaknesses	<u>      </u> Yes	<u>  x  </u> No
Significant Deficiency	<u>      </u> Yes	<u>  x  </u> No

Compliance

Compliance Material to Financial Statements	<u>      </u> Yes	<u>  x  </u> No
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**B FEDERAL AWARDS**

Major Program Identification

The Lafayette Parish Communication District at October 31, 2011, had one major program  
Department of Homeland Security Homeland Security Grant Program CFDA Number 97.067

Low-Risk Auditee

The Lafayette Parish Communication District is considered a low-risk auditee for the year ended October 31, 2011.

Major Program - Threshold

The dollar threshold to distinguish Type A and Type B programs is \$300,000 for the year ended October 31, 2011.

Auditors' Report - Major Program

An unqualified opinion has been issued on the Lafayette Parish Communication District's compliance for its major program as of and for the year ended October 31, 2011.

Significant Deficiencies - Major Program

There were no significant deficiencies noted during the audit of the major federal program.



**LAFAYETTE PARISH COMMUNICATION DISTRICT  
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT  
OF LAFAYETTE, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - continued  
FOR THE YEAR ENDED OCTOBER 31, 2011**

**Section II - Financial Statement Findings**

The audit did not disclose any findings required to be reported

**Section III - Federal Award Findings and Questioned Costs**

The audit did not disclose any material noncompliance findings or questioned costs relative to its federal programs

**LAFAYETTE PARISH COMMUNICATION DISTRICT  
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT  
OF LAFAYETTE, LOUISIANA**

**SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED OCTOBER 31, 2011**

There were no prior year findings

**LAFAYETTE PARISH COMMUNICATION DISTRICT  
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT  
OF LAFAYETTE, LOUISIANA**

**MANAGEMENT'S CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED OCTOBER 31, 2011**

No current year findings were noted, therefore, no response is deemed necessary